

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Spencer	County Kent
Audit Date 3/31/04	Opinion Date 4/29/04	Date Accountant Report Submitted to State: 9/7/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Siegfried Crandall PC			
Street Address 246 East Kilgore Road		City Kalamazoo	State MI
		ZIP 49002-5599	
Accountant Signature 		Date 9/7/04	

Township of Spencer
Kent County, Michigan
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**
Year ended March 31, 2004

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Township of Spencer, Michigan

We have audited the accompanying general purpose financial statements of the Township of Spencer, Michigan, as of March 31, 2004, and for the year then ended, as listed in the contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Spencer, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Spencer, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Siegfried Crandall P.C.

April 29, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

Township of Spencer**COMBINED BALANCE SHEET - all fund types and account group**

March 31, 2004

	<u>Governmental fund types</u>	
	<u>General</u>	<u>Special Revenue</u>
ASSETS		
Cash	\$ 373,916	\$ 121,242
Receivables:		
Taxes	11,812	15,264
Special assessments	2,215	-
Due from other governmental units	39,167	-
Due from other funds	1,528	-
Fixed assets	-	-
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 428,638</u>	<u>\$ 136,506</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts payable	\$ 3,794	\$ 2,418
Accrued liabilities	705	9,000
Due to other funds	-	1,381
Escrow deposits	3,443	-
	<hr/>	<hr/>
Total liabilities	<u>7,942</u>	<u>12,799</u>
FUND EQUITY:		
Investment in general fixed assets	-	-
Fund balance - undesignated	420,696	123,707
	<hr/>	<hr/>
Total fund equity	<u>420,696</u>	<u>123,707</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 428,638</u>	<u>\$ 136,506</u>

<i>Fiduciary fund type</i>	<i>Account group</i>	<i>Totals</i>
<i>Agency</i>	<i>General fixed assets</i>	<i>(memorandum only)</i>
\$ 147	\$ -	\$ 495,305
-	-	27,076
-	-	2,215
-	-	39,167
-	-	1,528
-	1,126,408	1,126,408
<u>\$ 147</u>	<u>\$ 1,126,408</u>	<u>\$ 1,691,699</u>
\$ -	\$ -	\$ 6,212
-	-	9,705
147	-	1,528
-	-	3,443
<u>147</u>	<u>-</u>	<u>20,888</u>
-	1,126,408	1,126,408
-	-	544,403
<u>-</u>	<u>1,126,408</u>	<u>1,670,811</u>
<u>\$ 147</u>	<u>\$ 1,126,408</u>	<u>\$ 1,691,699</u>

See notes to financial statements

Township of Spencer**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - *all governmental fund types****Year ended March 31, 2004*

	<i>General</i>	<i>Special Revenue</i>	<i>Totals (memorandum only)</i>
REVENUES:			
Taxes	\$ 119,576	\$ 136,103	\$ 255,679
Licenses and permits	48,208	-	48,208
Federal grant	-	55,899	55,899
State grants	264,167	-	264,167
Charges for services	4,250	7,500	11,750
Interest and rentals	5,676	545	6,221
Other	35,221	1,744	36,965
	<u>477,098</u>	<u>201,791</u>	<u>678,889</u>
Total revenues			
EXPENDITURES:			
Legislative	9,000	-	9,000
General government	232,316	-	232,316
Public safety	36,460	75,183	111,643
Public works	126,708	-	126,708
Community and economic development	7,750	-	7,750
Capital outlay	29,378	87,396	116,774
Debt service:			
Principal	62,380	-	62,380
Interest	3,963	-	3,963
	<u>507,955</u>	<u>162,579</u>	<u>670,534</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,857)	39,212	8,355
FUND BALANCE - BEGINNING OF YEAR	<u>451,553</u>	<u>84,495</u>	<u>536,048</u>
FUND BALANCE - END OF YEAR	<u>\$ 420,696</u>	<u>\$ 123,707</u>	<u>\$ 544,403</u>

See notes to financial statements

Township of Spencer**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - *general and special revenue funds****Year ended March 31, 2004*

	<i>General</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes	\$ 116,800	\$ 119,576	\$ 2,776
Licenses and permits	52,190	48,208	(3,982)
Federal grant	-	-	-
State grants	280,000	264,167	(15,833)
Charges for services	5,000	4,250	(750)
Interest and rentals	7,400	5,676	(1,724)
Other	36,710	35,221	(1,489)
Total revenues	<u>498,100</u>	<u>477,098</u>	<u>(21,002)</u>
EXPENDITURES:			
Legislative	9,000	9,000	-
General government	264,160	232,316	31,844
Public safety	39,300	36,460	2,840
Public works	144,000	126,708	17,292
Community and economic development	8,640	7,750	890
Capital outlay	17,000	29,378	(12,378)
Debt service:			
Principal	50,000	62,380	(12,380)
Interest	-	3,963	(3,963)
Total expenditures	<u>532,100</u>	<u>507,955</u>	<u>24,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(34,000)	(30,857)	3,143
FUND BALANCE - BEGINNING OF YEAR	<u>451,553</u>	<u>451,553</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 417,553</u>	<u>\$ 420,696</u>	<u>\$ 3,143</u>

<i>Special revenue</i>			<i>Totals (memorandum only)</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
\$ 136,714	\$ 136,103	\$ (611)	\$ 253,514	\$ 255,679	\$ 2,165
-	-	-	52,190	48,208	(3,982)
55,899	55,899	-	55,899	55,899	-
-	-	-	280,000	264,167	(15,833)
7,500	7,500	-	12,500	11,750	(750)
500	545	45	7,900	6,221	(1,679)
2,000	1,744	(256)	38,710	36,965	(1,745)
<u>202,613</u>	<u>201,791</u>	<u>(822)</u>	<u>700,713</u>	<u>678,889</u>	<u>(21,824)</u>
-	-	-	9,000	9,000	-
-	-	-	264,160	232,316	31,844
95,900	75,183	20,717	135,200	111,643	23,557
-	-	-	144,000	126,708	17,292
-	-	-	8,640	7,750	890
106,713	87,396	19,317	123,713	116,774	6,939
-	-	-	50,000	62,380	(12,380)
-	-	-	-	3,963	(3,963)
<u>202,613</u>	<u>162,579</u>	<u>40,034</u>	<u>734,713</u>	<u>670,534</u>	<u>64,179</u>
-	39,212	39,212	(34,000)	8,355	42,355
<u>84,495</u>	<u>84,495</u>	<u>-</u>	<u>536,048</u>	<u>536,048</u>	<u>-</u>
<u>\$ 84,495</u>	<u>\$ 123,707</u>	<u>\$ 39,212</u>	<u>\$ 502,048</u>	<u>\$ 544,403</u>	<u>\$ 42,355</u>

See notes to financial statements

Township of Spencer
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Spencer, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

a) Reporting entity:

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Township's financial statements.

b) Basis of presentation:

The accounts of the Township are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account group, categorized, and described as follows:

i) Governmental funds:

General Fund - this fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - this fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Township's special revenue fund is its Fire Fund.

iii) Fiduciary fund:

Agency Fund - this fund is used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Township of Spencer
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

iv) Account group:

General fixed assets account group - fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infra-structure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

c) Basis of accounting:

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements.

All governmental and agency fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due. Also, expenditures are not allocated between years by the recording of prepaid expenditures.

d) Budgets and budgetary accounting:

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the functional level and are on a basis consistent with generally accepted accounting principles.

e) Receivables:

All receivables are estimated to be fully collectible as presented.

f) Property tax revenue recognition:

Property tax revenue is recognized in the year for which taxes have been levied and become available. Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (with the final collection date of February 28), after which date the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 as revenue of the current year.

Township of Spencer
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

g) Special assessment revenue recognition:

Special assessment revenue is recorded as deferred when initially assessed. To the extent special assessments are realized, that is collected, revenue is recognized. Special assessments are recognized as revenue when they become measurable and available. Any portion of special assessments which does not meet both criteria is reported as deferred revenue. Interest income on the special assessment receivable is not accrued until its due date.

h) Totals (memorandum only):

The total column on the combined statements is captioned "memorandum only" to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

NOTE 2 - CASH:

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in accounts of federally-insured banks, credit unions, and savings and loan associations. The Township has deposits with a carrying amount of \$495,305 and a bank balance of \$496,206, of which \$175,147 is covered by federal depository insurance and \$321,059 is uninsured and uncollateralized.

NOTE 3 - FIXED ASSETS:

The following is a schedule of changes in general fixed assets of the Township during the year ended March 31, 2004:

	<i>Balance April <u>1, 2003</u></i>	<i><u>Additions</u></i>	<i><u>Deductions</u></i>	<i>Balance March <u>31, 2004</u></i>
Land	\$ 45,608	\$ -	\$ -	\$ 45,608
Buildings	743,922	-	-	743,922
Equipment	136,764	43,901	-	180,665
Vehicles	<u>138,793</u>	<u>17,420</u>	<u>-</u>	<u>156,213</u>
INVESTMENT IN GENERAL FIXED ASSETS	<u>\$1,065,087</u>	<u>\$61,321</u>	<u>\$ -</u>	<u>\$1,126,408</u>

Township of Spencer
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - LONG-TERM DEBT:

A summary of long-term debt transactions of the Township is as follows:

Balance - April 1, 2003	\$62,380
Retirement of debt	<u>62,380</u>
Balance - March 31, 2004	\$ <u>-</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES:

The amounts of interfund receivables and payables at March 31, 2004, are as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Fund</u>	<u>Interfund payables</u>
General	<u>\$1,528</u>	Fire	\$1,381
		Tax collection	<u>147</u>
			<u>\$1,528</u>

NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN:

The Township provides retirement benefits for all of its eligible employees through a defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of employment and may contribute to the plan. Contributions range from \$250 to \$2,500 per employee, depending upon annual compensation. The Township's contributions are fully vested immediately. All costs associated with the plan are paid currently. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets. Accordingly, plan assets and change therein are not reported in these financial statements.

The Township made the required contributions of \$17,300 for the year ended March 31, 2004.

NOTE 7 - RISK MANAGEMENT:

The Township is exposed to various risks of loss to general liability, property and casualty, and workers' compensation.

The risks of loss arising from general liability up to \$2,000,000, building contents, workers' compensation, and casualty are managed through purchased commercial insurance.

Township of Spencer
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2004, is as follows:

Permit revenues	\$ 40,521
Expenses:	
Direct	(36,460)
Indirect	<u>(3,170)</u>
Excess of revenues over expenses	<u>\$ 891</u>

NOTE 9 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted at the functional level.

During the year ended March 31, 2004, the Township incurred expenditures in excess of the amounts appropriated. The following schedule sets forth significant budget variations.

<u>Fund</u>	<u>Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Capital outlay	\$17,000	\$29,378	\$12,378
	Debt service - principal	50,000	62,380	12,380
	Debt service - interest	-	3,963	3,963

NOTE 10 - PRIOR PERIOD ADJUSTMENT:

A prior period adjustment has been recorded in 2004 that resulted in a fund equity restatement. Fund equity as of April 1, 2003, included in the general purpose financial statements, represents restated balances as presented below. The following schedule identifies the nature and amount of the adjustment recorded.

	<u>Fund balance</u>
Special Revenue Fund:	
Beginning of year, as previously reported	\$93,495
Prior period adjustment -	
Understatement of accrued payroll	<u>(9,000)</u>
Beginning of year, as restated	<u>\$84,495</u>

SUPPLEMENTARY INFORMATION

Township of Spencer**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - General Fund***Year ended March 31, 2004*

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property taxes	\$ 80,000	\$ 79,531	\$ (469)
Administration fees	33,000	36,247	3,247
Trailer fees	<u>3,800</u>	<u>3,798</u>	<u>(2)</u>
Total taxes	<u>116,800</u>	<u>119,576</u>	<u>2,776</u>
Licenses and permits:			
Construction code permits	44,000	40,521	(3,479)
Cable television fees	8,100	7,620	(480)
Dog licenses	<u>90</u>	<u>67</u>	<u>(23)</u>
Total licenses and permits	<u>52,190</u>	<u>48,208</u>	<u>(3,982)</u>
State grants:			
State shared revenue	280,000	262,605	(17,395)
Metro Act	<u>-</u>	<u>1,562</u>	<u>1,562</u>
Total state grants	<u>280,000</u>	<u>264,167</u>	<u>(15,833)</u>
Charges for services:			
Zoning and appeal fees	3,500	3,350	(150)
Sale of cemetery lots	<u>1,500</u>	<u>900</u>	<u>(600)</u>
Total charges for services	<u>5,000</u>	<u>4,250</u>	<u>(750)</u>
Interest and rentals:			
Interest	5,000	4,526	(474)
Hall rental	<u>2,400</u>	<u>1,150</u>	<u>(1,250)</u>
Total interest and rentals	<u>7,400</u>	<u>5,676</u>	<u>(1,724)</u>

Township of Spencer**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES (Continued):			
Other:			
Special assessments	\$ 32,710	\$ 25,590	\$ (7,120)
Library lease	2,000	1,500	(500)
Miscellaneous	<u>2,000</u>	<u>8,131</u>	<u>6,131</u>
Total other	<u>36,710</u>	<u>35,221</u>	<u>(1,489)</u>
Total revenues	<u>498,100</u>	<u>477,098</u>	<u>(21,002)</u>
EXPENDITURES:			
Legislative - Township board	<u>9,000</u>	<u>9,000</u>	<u>-</u>
General government:			
Supervisor	18,500	18,028	472
Elections	400	661	(261)
Audit fee	4,160	3,900	260
Assessor	27,500	24,062	3,438
Legal fees	25,000	11,700	13,300
Clerk	28,200	27,458	742
Board of review	1,700	1,800	(100)
Treasurer	53,200	37,781	15,419
Building and grounds	53,000	48,096	4,904
Cemetery	2,000	3,886	(1,886)
General administration	<u>50,500</u>	<u>54,944</u>	<u>(4,444)</u>
Total general government	<u>264,160</u>	<u>232,316</u>	<u>31,844</u>
Public safety -			
Building inspections department	<u>39,300</u>	<u>36,460</u>	<u>2,840</u>

Township of Spencer**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - General Fund (Continued)***Year ended March 31, 2004*

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):			
Public works:			
Highways, streets, and bridges	\$ 100,000	\$ 86,642	\$ 13,358
Weed control	44,000	39,636	4,364
Road right-of -way	<u>-</u>	<u>430</u>	<u>(430)</u>
Total public works	<u>144,000</u>	<u>126,708</u>	<u>17,292</u>
Community and economic development - Planning and zoning	<u>8,640</u>	<u>7,750</u>	<u>890</u>
Capital outlay	<u>17,000</u>	<u>29,378</u>	<u>(12,378)</u>
Debt service:			
Principal	<u>50,000</u>	<u>62,380</u>	<u>(12,380)</u>
Interest	<u>-</u>	<u>3,963</u>	<u>(3,963)</u>
Total expenditures	<u>532,100</u>	<u>507,955</u>	<u>24,145</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(34,000)	(30,857)	3,143
FUND BALANCE - BEGINNING OF YEAR	<u>451,553</u>	<u>451,553</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 417,553</u>	<u>\$ 420,696</u>	<u>\$ 3,143</u>

Township of Spencer**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - Fire Fund***Year ended March 31, 2004*

	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes	\$ 136,714	\$ 136,103	\$ (611)
Federal grant - FEMA	55,899	55,899	-
Charges for services	7,500	7,500	-
Interest	500	545	45
Other	2,000	1,744	(256)
Total revenues	202,613	201,791	(822)
EXPENDITURES:			
Public safety:			
Fire chief salary	6,300	6,300	-
Deputy chief salary	4,300	4,300	-
Firefighters' wages	34,500	28,262	6,238
Payroll taxes	4,000	3,021	979
Rescue supplies	2,400	2,173	227
Repairs and maintenance	8,000	9,633	(1,633)
Fuel and oil	3,000	1,567	1,433
Kent County assessment	8,500	4,947	3,553
Insurance	4,000	3,084	916
Utilities	6,500	5,303	1,197
Building and grounds	4,500	1,431	3,069
Education and training	4,000	1,521	2,479
Physicals and shots	3,000	415	2,585
Memberships	600	824	(224)
Administrative services	1,200	1,200	-
Miscellaneous	1,100	1,202	(102)
Total public safety	95,900	75,183	20,717
Capital outlay	106,713	87,396	19,317
Total expenditures	202,613	162,579	40,034

Township of Spencer

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - Fire Fund (Continued)**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ 39,212	\$ 39,212
FUND BALANCE - BEGINNING OF YEAR	<u>84,495</u>	<u>84,495</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 84,495</u>	<u>\$ 123,707</u>	<u>\$ 39,212</u>

Township of Spencer**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - *Agency Fund****Year ended March 31, 2004*

	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance March 31, 2004</i>
TAX COLLECTION FUND				
ASSETS				
Cash	<u>\$ 313</u>	<u>\$ 2,558,715</u>	<u>\$ 2,558,881</u>	<u>\$ 147</u>
LIABILITIES				
Due to other funds	\$ 313	\$ 227,270	\$ 227,436	\$ 147
Due to other governmental units	<u>-</u>	<u>2,331,445</u>	<u>2,331,445</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 313</u>	<u>\$ 2,558,715</u>	<u>\$ 2,558,881</u>	<u>\$ 147</u>